(d) the measures proposed to be taken on the recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Reserve Bank of India (RBI) had set up an Expert Committee on Legal Aspects of Bank Frauds in August 2000. The Committee had submitted its report on 31st August 2001, *inter alia*, recommending setting up of a separte Investigation Bureau and a Special Court to investigate and try bank and financial frauds. The Committee has also made suggestions to minimise the incidence of financial frauds and to deal firmly with such incidents, development of best practice code for officers and staff of banks, legal compliance audit, liability of auditors, system for sharing of credit information etc. The Committee has also suggested few legislative changes to deal with serious financial frauds. The recommendations of the Committee are being examined by RBI.

Non-Banking Financial Companies

235. MISS MABEL REBELLO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a large number of non-banking financial companies who raised money from the public are not returning the money to the public, despite Government's directives to the effect;

(b) if so, names of such erring companies; and

(c) in what manner Government propose to assure that the public get their deposits back with the promised interests?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The information is being collected and, to the extent available, will be laid on the Table of the House.

(c) Comprehensive regulatory framework has been put in place which is aimed at protecting the interests of the depositors and ensuring that NBFCs function on sound and healthy lines. The regulatory framework includes, *inter alia*, compulsory registration, maintenance of liquid assets, transfer of at least 20% of net profit to reserve fund and empowering RBI to issue directions to NBFCs. RBI takes various actions against errant NBFCs for various defaults and contravention of provisions of RBI Act and directions issued thereunder. Government has introduced Financial Companies Regulation Bill, 2000 in the Lok Sabha on 13th December, 2000. The Bill has been referred to Standing Committee on Finance by the Hon'ble Speaker, Lok Sabha.

Revival Plan for Core Sector

236. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether perturbed by the deepening slowdown he has convened a meeting of leaders of three key industries viz. auto, cement and construction—along with the heads of financial institutions in the month of September, 2001 to thrash out a revival plan;

(b) if so, what were the main points discussed in the meeting;

(c) whether any final decision for revival plan for core sector has been reached; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes Sir, the Finance Minister held a meeting with leaders of three key industries viz. auto, cement and construction—along with the heads of financial institutions on 7th September 2001.

The objective of the meeting was to jointly discuss with the industry representatives the problems and prospects of these industries in the current year.

(b) The main points dicussed in the meeting include issues relating to export finance for automobiles, finance for purchases of commercial vehicle, Diesel and Petrol and pricing after dismantling of the Aministered Pricing Mechanism for petroleum products, off-setting state levies in Value Added Tax, concessional interest rates for rural housing, proactive steps by housing finance companies to generate demand for rural housing, reduction of stamp duty, construction of cement roads, implementation of the Model Rent Control Act by states, abolition of the Urban Land Ceiling Act, to permit External Commercial Borrowing in housing and repeal of provisions of the Income Tax Act which provide for pre-emptive purchase of property.

(c) and (d) Suggestions made by various industry associations and experts are kept in view by the government for formulation of appropriate economic policies from time to time.

Interest rate on fixed deposits

237. SHRI A. VIJAYA RAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken any decision to start the systems of variable interest rates on the interest of the fixed deposits;

(b) if so, the details thereof;

(c) whether RBI has given any such instructions;

(d) if so, the details thereof; and